

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-03

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XMB-02 SCA-01 CU-02 LAB-04 SIL-01 COME-00 FBO-02 A-01

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R 111531Z JUN 75

FM AMEMBASSY LAGOS

TO SECSTATE WASHDC 9711

INFO AMCONSUL KADUNA

AMCONSUL IBADAN

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E.O. 11652: N/A

TAGS: PDIP, EINV, SCUL, ABLD, ELAB

SUBJECT: CONVERSATIONS WITH IYALLA: AIIC AND OTHER ISSUES

REF: STATE 130379, LAGOS 5141

1. LAGOS 5464 REPORTED ON GENERAL ECONOMIC AND POLITICAL ISSUES
I DISCUSSED JUNE 10 WITH MEA PERMSEC IYALLA. ADDITIONAL ITEMS
COVERED IN CONVERSATION WERE AS FOLLOWS:

2. AIIC. I RAISED THE AIIC PROBLEM. NEITHER IYALLA NOR HIS
TWO STAFFERS SEEMED TO KNOW ANYTHING ABOUT IT, NOT EVEN RECOG-
NIZING THE NAME OF THE COMPANY. I TOLD THEM I DID NOT WISH
TO CONCERN THEM WITH THE TECHNICAL DETAILS OF THE DISAGREEMENT,
BUT STRESSED THAT THE COMPANY AND NOT INCONSEQUENTIAL SUPPORTERS
OF THE COMPANY IN THE US WERE PERSUADED THAT AIIC WOULD BE
RECEIVING UNFAVORABLE AND DISCRIMINATORY TREATMENT IF NOT
ALLOWED TO REPATRIATE PRE-1974 EARNINGS. I INDICATED THAT I DID
NOT REPEAT NOT WISH AT THIS TIME TO TAKE POSITION ON MERITS

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OF THE ARGUMENT, BUT I WAS MUCH CONCERNED OVER IMAGE OF EXPRO-

PRIATORY FMG ACTION THAT THIS MATTER MIGHT PORTRAY IN FOREIGN BUSINESS COMMUNITY. I SAID I TRUSTED, BUT WAS NOT CERTAIN, THAT DISCUSSIONS OF THE PROBLEM HAD BEEN OR WOULD BE CONDUCTED WITHIN THE FMG AT AN APPROPRIATELY SENIOR LEVEL PRIOR TO ANY SUBMISSION OF THE MATTER TO THE FEDERAL EXECUTIVE COUNCIL. IYALLA, WHO SEEMED FULLY COGNIZANT OF AND IN SYMPATHY WITH OVER-ALL FMG POLICY OF ACQUIRING EQUITY SHARES IN INSURANCE COMPANIES, SAID HE WOULD LOOK INTO THE MATTER. HE APPEARED UNIMPRESSED WHEN I REFERRED TO AYIDA'S FORMER INVOLVEMENT, BUT I HAVE A HUNCH IT WILL BE WITH AYIDA THAT HE WILL CHECK FIRST. (COMMENT: I WILL RAISE MATTER WITH AYIDA AT FIRST POSSIBLE OPPORTUNITY, AS WILL AID DIRECTOR FORD WHO KNOWS HIM WELL AND HAS BEEN SEEKING AN APPOINTMENT FOR SOME DAYS. AYIDA HAS SAID HE CANNOT RECEIVE US TIL LATE THIS WEEK AT EARLIEST.)

3. PORT HARCOURT CONSULATE. I SAID I LOOKED FORWARD AT IYALLA'S CONVENIENCE TO TALKING AGAIN ABOUT OUR INTEREST IN REOPENING A CONSULATE IN THE FORMER EASTERN REGION. HE SAID HE KNEW WE REMAINED INTERESTED IN THIS AND THAT OUR REQUEST WAS "STILL UNDER STUDY." OBSERVING THAT THE FMG HAD NOT YET DECIDED HOW TO RESOLVE THE QUESTION OF POSSIBLE NEW STATES, HE IMPLIED THAT THE LOCATION OF ANY NEW CONSULATES WOULD BE SOMEHOW DETERMINED IN CONJUNCTION WITH THE LOCATION OF NEW STATES AND THEIR CAPITALS. I STATED OUR MAJOR CONCERN WAS TO SITE ANY NEW CONSULATE WHERE IT COULD PROVIDE THE GREATEST SERVICE TO SIZEABLE GROUPS OF AMERICAN CITIZENS NEEDING CONSULAR SERVICES AND TO NIGERIANS SEEKING VISAS OR OTHER ASSISTANCE. IT SEEMED TO US THAT PORT HARCOURT WAS THE INDICATED CHOICE ON THE BASIS OF THESE CRITERIA. HE ASSURED ME THAT THE GOVERNMENT HAD THE QUESTION UNDER CURRENT CONSIDERATIONS BUT I GOT NO IMPRESSION OF FORTHCOMING MOVEMENT TOWARD A DECISION. I SAID THAT WE WERE ALSO INTERESTED IN ESTABLISHING A BRANCH USIS OFFICE, POSSIBLY IN ENUGU. HE SAID HE WAS AWARE OF OUR INTEREST IN THIS. AGAIN, CAREFUL STUDY WOULD BE NEEDED. HE SUGGESTED THAT THE CREATION OF NEW UNIVERSITIES IN MAJOR CITIES MIGHT LEAD US TO RE-EXAMINE OUR CHOICE OF PREFERRED LOCATION.

4. ELIAS-WARREN FELLOWSHIP. REFERRING TO OUR THIRD PERSON NOTE OF MAY 30, I REITERATED OUR INTEREST IN MOVING AHEAD WITH PROPOSED EXCHANGE OF LEGAL SCHOLARS IN COMMEMORATION OF US LIMITED OFFICIAL USE

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BICENTENNIAL. AGAIN, IYALLA HAD BEEN CLEARLY WELL BRIEFED, STATING HIS CONCERN WAS WHAT WOULD HAPPEN TWO YEARS HENCE WHEN US FUNDING WAS TO GIVE WAY TO "PRIVATE INSTITUTIONAL SUPPORT." HE SAID HIS STAFF WOULD NEED GREATER CLARITY AS TO WHERE THIS MONEY WOULD COME FROM. HE SEEMED NONETHELESS BASICALLY IN SYMPATHY WITH THE PROPOSAL. I SAID WE HOPED TO MOVE AHEAD WITH FIRST STEPS TO IMPLEMENT THE PROJECT AND THAT I WAS CONFIDENT ONGOING SUPPORT ARRANGEMENTS WOULD FALL INTO PLACE IN DUE COURSE.

5. LABOR OFFICER (LAGOS 4302 AND PREVIOUS). IYALLA SAID IT WAS "INADMISSIBLE" THAT ANY EMBASSY CONTINUE TO MAINTAIN A LABOR OFFICER POSITION IN THE FACE OF CLEAR FMG PROHIBITION AGAINST IT. HE OBJECTED TO WHAT HE TERMED THE EMBASSY'S "PLAYING GAMES" WITH HIS MINISTRY, STATING THAT HE HAD YET TO BE SATISFIED THAT EMBASSY FULLY UNDERSTOOD THE SERIOUSNESS OF FMG INTENT ON THIS MATTER. HE "DID NOT WANT TO HAVE TO EXPEL EMBASSY'S LABOR OFFICER," BUT SAID HE COULD NOT UNDERSTAND HOW THIS OFFICER COULD SEEM TO BE PURPOSEFULLY ATTEMPTING CONTINUE TO DISCUSS CONTROVERSIAL SUBJECTS WITH NIGERIAN LABOR UNION REPRESENTATIVES. I SAID I HAD NO PERSONAL KNOWLEDGE OF ANY PARTICULAR CASE IN POINT, BUT I COULD ASSURE HIM WE WERE NOT CONTINUING THE LABOR OFFICER POSITION. WE HAD, IN FACT, REDUCED THE SIZE OF OUR POLITICAL SECTION IN WHICH THE LABOR JOB FORMERLY WAS LOCATED. TO HAVE ONE PERSON IN THIS REDUCED SECTION FOCUSING ON THE LABOR MOVEMENT WOULD NOT REPRESENT AN EFFICIENT USE OF OUR RESOURCES. AT THE SAME TIME, I HOPED IYALLA DID NOT MEAN THAT NONE OF US COULD HAVE NORMAL DEALINGS WITH LABOR UNION PEOPLE, JUST AS WE WOULD HOPE TO HAVE DEALING WITH ALL IMPORTANT SEGMENTS OF THE SOCIETY IN WHICH WE WERE LIVING AND WORKING. I SAID I WAS CERTAIN THAT NIGERIAN EMBASSY PERSONNEL IN THE US HAD THESE FREEDOMS. IYALLA ASSURED ME THAT "IN A DEMOCRATIC SOCIETY LIKE NIGERIA" THE EMBASSY WAS OF COURSE FREE TO HAVE CONTACTS THROUGHOUT THAT SOCIETY. ON THE OTHER HAND, HE WOULD BE COMPELLED TO REACT MOST FORCEFULLY IN THE EVENT OF "ANY IMPROPER ACTIVITIES." I TOLD HIM THAT THE PRESENT INCUMBENT WAS AT THE END OF HIS TOUR AND WOULD BE REPLACED BY A GENERAL PURPOSE OFFICER. THIS SEEMED TO SATISFY IYALLA.

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FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 9712
INFO AMCONSUL KADUNA
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6. FMG REQUIREMENT TO TAKE OVER EMBASSY ANNEX BUILDING (LAGOS 4847 AND PREVIOUS). IYALLA WENT TO SOME LENGTH TO IMPRESS ON ME THE BACKGROUND AND THE URGENCY OF THE FMG'S NEED FOR THIS BUILDING. HE SAID THAT IN THE LAST 24 HOURS HE HAD RECEIVED TWO DESPERATE PHONE CALLS FROM FMG COMMISSIONERS WHO SAID THEY COULD NO LONGER CONTINUE TO OBLIGE THEIR EMPLOYEES "TO SIT OUT IN THE HALLS." HE SAID THAT THE FMG HAD TAKEN THE "EXTRAORDINARY ACTION" OF OFFERING US ALTERNATIVE SPACE. HE WANTED ME TO KNOW THAT HE HOPED THIS MATTER COULD BE HANDLED IN AN AMICABLE WAY WITHOUT CONTROVERSY. HE RELIED ON AMBASSADOR REINHARDT'S ASSURANCE THAT WE WOULD NOT INSIST ON THE "LEGALITIES OF THE MATTER." HE WAS WELL AWARE THAT OUR LEASE DID NOT EXPIRE FOR ANOTHER 18 MONTHS BUT THAT WAS "BESIDE THE POINT." I SAID THAT OUR INITIAL EXAMINATION OF THE PROPOSED ALTERNATIVE QUARTERS INDICATED THEY WERE FAR FROM ADEQUATE. NOR DID WE HAVE BUDGETARY PROVISION TO COVER THE NECESSARY EXPENSES OF REFURBISHING THE NEW SPACE. HE SAID "WE KNOW YOU CAN MAKE DO WITH THE PROPOSED PLACE -- AND DON'T FORGET THERE IS ENOUGH LAND AND YOU HAVE AUTHORIZATION TO CONSTRUCT ADDITIONAL QUARTERS THERE IF NEEDED." I SAID I KNEW
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HE UNDERSTOOD OUR BUDGETARY SYSTEM WELL ENOUGH TO APPRECIATE THE DIFFICULTY THIS PRESENTED FOR US. HE SAID HE UNDERSTOOD, BUT WANTED TO REMIND ME THAT "IT IS NOT OUR FAULT THAT IT TOOK YOU FOURTEEN YEARS TO GET STARTED ON YOUR OWN BUILDING AFTER WE GAVE YOU THE LAND IN 1961." IYALLA SHOWED NO INCLINATION TO TALK ABOUT WHETHER THE FMG MIGHT PROVIDE US WITH FINANCIAL HELP. I SAID I WOULD LOOK AT THE MATTER MOST CAREFULLY.
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